

## Attachment A

### CALHFA LEASE RIDER

This CalHFA Lease Rider ("Lease Rider") shall be attached to any lease or rental agreement between \_\_\_\_\_, anyone with an ownership interest in the property ("Landlord") of the residence located at \_\_\_\_\_, California (the "Property"), and \_\_\_\_\_, ("Tenants"), and shall become part of the lease or rental agreement. The terms and conditions of the Rider shall supersede and override any terms or conditions of the lease or rental agreement that are inconsistent with the terms of this Rider.

#### 1. Requirement of Rider

Landlord has financed the purchase of the Property with a loan ("Loan") held by the California Housing Finance Agency ("CalHFA"). The Loan was financed with the proceeds of tax exempt housing bonds for the benefit of first time homebuyers, and is subject to all federal rules and requirements related to the use of such tax exempt bond proceeds. The terms of the Loan prohibit Landlord from renting the Property to tenants. Landlord has requested that CalHFA grant permission to Landlord to rent the Property to Tenants. CalHFA and Landlord have entered in to a Consent to Rent Agreement ("Borrower Agreement"), a copy of which has been provided by Landlord to Tenant. The Borrower Agreement contains the terms and conditions upon which Landlord is given permission to rent the Property to Tenant, and further requires that Landlord and Tenant sign this Lease Rider. CalHFA does not grant permission to rent the Property unless this Lease Rider is signed. If permission to rent is not granted by CalHFA, Tenant's rights to occupy the Property may be affected or terminated, as provided in Section 3, below.

#### 2. Lease Terms

Notwithstanding any inconsistent provision in the lease or rental agreement between Landlord and Tenant concerning the Property, Landlord and Tenant agree that all of the following terms, for the benefit of CalHFA, shall be applicable:

a. The term of the lease or rental agreement may not exceed 12 months from \_\_\_\_\_, 20\_\_.

b. The term of the lease or rental agreement may be terminated early by CalHFA upon foreclosure to the extent permitted by applicable law, including the Protecting Tenants At Foreclosure Act, as described in Section 3, below.

c. The consent to rent the Property may be terminated upon a breach of the Borrower Agreement.

d. The Borrower Agreement contains an assignment of rents as additional security to CalHFA for the Loan. In the event that Landlord defaults on any provision of the Loan, upon written notice to Tenant by CalHFA, Tenant will make rental payments directly to CalHFA in accordance with the terms of the notice, and to the extent so made, shall be in satisfaction of Tenant's obligations to pay rent under the lease or rental agreement.

### 3. Protecting Tenants At Foreclosure Act

Federal law currently provides certain protections for Tenants when their landlord loses the rental property upon foreclosure, to the extent that the Landlord's loan is covered by that law. Those protections include certain notice provisions, as well as provisions that may require the lender to recognize the tenancy and not evict the Tenant. The law is entitled the "Protecting Tenants At Foreclosure Act of 2009" ("Act") However, the Act also contains certain exclusions and exceptions. One of the purposes of this Lease Rider is to insure that the Tenant understands that the lease or rental agreement is subject to those exclusions and exceptions provided by federal law. Tenant acknowledges the following:

a. The Act applies only to the extent that its terms legally apply to the Loan made to Landlord, or to the tenancy created between Landlord and Tenant.

b. The Act applies only to "bona fide leases or tenancies" entered into prior to the notice of foreclosure, as those are defined in the Act. Certain leases or rental agreements (i) which are between family members; or (ii) which are not "arm's length" transactions; or (iii) which contain rent terms which are substantially below fair market value; or (iv) which are subsidized due to a state, federal or local subsidy are not considered "bona fide leases or tenancies." The Act may not be applicable in the event the lease or rental agreement is determined not to be a bona fide lease or tenancy.

c. The Act applies only if the Loan is determined to be a "federally related mortgage loan". The Act may not apply in the event that the Loan for the Property is determined not to be such a federally related mortgage loan.

d. In the event that the Act does apply to the Loan or the tenancy, there are circumstances in which the tenancy may be terminated early after a foreclosure by a lender. The Act provides that the Tenant's lease or rental agreement may be terminated early in the event that a foreclosing lender sells their interest in the property to a purchaser who will occupy the property as their primary residence. A month to month rental agreement may also be terminated under the Act by giving the legally required notice.

### 4. Other Provisions

a. This Lease Rider is not intended to constitute legal advice, but is simply a disclosure to Tenant that the terms of the lease or rental agreement may be terminated

upon foreclosure in certain circumstances, and further reflects the agreement by Tenant that the lease or rental agreement is subject to such permitted termination. In the event that Tenant wants advice or additional information, Tenant should consult Tenant's legal adviser.

b. CalHFA shall be a third party beneficiary of this Lease Rider between Landlord and Tenant. A copy of the fully signed lease or rental agreement, as well this fully signed Lease Rider, must be provided to CalHFA at the following address:

California Housing Finance Agency  
Attn: Loan Servicing  
1040 Riverside Parkway Suite 110  
West Sacramento, CA 95605

Dated: \_\_\_\_\_  
Landlord

Dated: \_\_\_\_\_  
Tenant

Dated: \_\_\_\_\_  
Tenant